

**DISCLAIMER**

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COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND, JUNE 1, 2001

APPLICATION OF

CONECTIV,  
POTOMAC ELECTRIC POWER COMPANY

CASE NO. PUA010021

and

NEW RC, INC.

For approval pursuant to § 56-88.1  
of the Code of Virginia

ORDER FOR NOTICE AND COMMENT

On May 24, 2001, Conectiv, Potomac Electric Power Company ("Pepco"), and New RC, Inc. ("New RC") (collectively, "the Applicants"), filed a complete application requesting approval, pursuant to § 56-88.1 of the Code of Virginia, for New RC to acquire control of Delmarva Power & Light Company ("Delmarva"), Pepco, and Starpower Communications, LLC ("Starpower"), and for approval for Conectiv to dispose of control of Delmarva and for Pepco to dispose of control of Starpower ("the merger").

Two New RC subsidiaries will be created to implement the above-referenced merger. One subsidiary will be merged into Pepco with Pepco as the surviving entity. The other New RC subsidiary will be merged into Conectiv with Conectiv as the

surviving entity. Thus, pursuant to an exchange of stock, the mergers will make New RC the parent of Pepco and Conectiv. Conectiv will continue to own Delmarva, Atlantic City Electric Company, and other Conectiv subsidiaries (except for Conectiv Resource Partners, Inc., which will become a first-tier subsidiary of New RC). Pepco will continue to be an operating utility and its current subsidiary, Pepco Holdings, Inc. ("PHI"), will continue to own its current subsidiaries.<sup>1</sup>

NOW THE COMMISSION, having considered the matter, is of the opinion, that public notice should be given, interested persons should be provided with an opportunity to comment and request a hearing, and the Commission Staff should file a report detailing the results of its review of the above-captioned application.

Accordingly, IT IS ORDERED THAT:

(1) The Applicants shall promptly make a copy of their application and supporting materials available to the public, who may obtain a copy of the application at no charge, by requesting it in writing from the Applicants' counsel at the address detailed below.

(2) On or before June 29, 2001, any interested person may file with the Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, an

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<sup>1</sup> Applicants state that no decision has been made with respect to whether PHI will be a first-tier subsidiary of New RC or continue to be a subsidiary of Pepco.

original and fifteen (15) copies of comments on the above-captioned application and shall refer to Case No. PUA010021.

(3) On or before June 29, 2001, any person desiring a hearing in this matter shall file an original and fifteen (15) copies of a request for hearing with the Clerk, State Corporation Commission, c/o Document Control Center, Post Office Box 2118, Richmond, Virginia 23218, and shall refer in his or her request to Case No. PUA010021. Any request for hearing shall detail the reasons that such issues cannot be adequately addressed in written comments.

(4) A copy of such comments and requests for hearing shall simultaneously be sent to counsel for the Applicants as follows: Guy T. Tripp III, Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074.

(5) On or before June 29, 2001, any person filing comments or requests for hearing may also file a notice of participation in accordance with Rule 80 B of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-80 B. A copy of any notice of participation must simultaneously be sent to the Applicants at the address sent forth in Ordering Paragraph (4) above.

(6) The Commission Staff shall review the application and shall file, on or before July 10, 2001, an original and fifteen (15) copies of its report detailing the results of its investigation of the matter.

(7) The Applicants shall respond to written interrogatories within seven (7) calendar days after receipt of the same. Except as modified above, discovery shall be in accordance with Part IV of the Commission's Rules of Practice and Procedure.

(8) On or before June 15, 2001, the Applicants shall publish the following notice as display advertising, not classified, once in newspapers of general circulation in the Applicants' service territories.

NOTICE OF APPLICATION OF  
CONECTIV, POTOMAC ELECTRIC POWER COMPANY,  
AND NEW RC, INC.  
CASE NO. PUA010021

Conectiv, Potomac Electric Power Company ("Pepco"), and New RC, Inc. ("New RC") (collectively, "the Applicants"), filed an application requesting approval pursuant to § 56-88.1 of the Code of Virginia for New RC to acquire control of Delmarva Power & Light Company ("Delmarva"), Pepco, and Starpower Communications, LLC ("Starpower"), and for Conectiv to dispose of control of Delmarva and for Pepco to dispose of control of Starpower.

A copy of the above-referenced application is available for inspection during regular business hours at the State Corporation Commission, Document Control Center, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia. Interested persons may obtain a copy of the application, at no charge, by requesting a copy in writing from the Applicants' counsel at the address noted below: Guy T. Tripp III, Esquire, Hunton & Williams, Riverfront

Plaza, East Tower, 951 East Byrd Street,  
Richmond, Virginia 23219-4074.

On or before June 29, 2001, any interested person may file with the Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, an original and fifteen (15) copies of any comments and/or requests for hearing on the above-referenced application. Such comments and requests must refer to Case No. PUA010021. A copy of such comments or requests for hearing must simultaneously be sent to Applicants at the address set forth above.

On or before June 29, 2001, any person filing comments or requests for hearing may also file a notice of participation in accordance with Rule 80 B of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-80 B. A copy of any notice of participation must simultaneously be sent to the Applicants at the address set forth above.

A copy of the Order for Notice and Comment may be obtained from the Clerk of the Commission. The text of the Order may be viewed at the Commission's website:  
<http://www.state.va.us/scc/caseinfo/orders.htm>.

CONNECTIV, POTOMAC ELECTRIC POWER COMPANY,  
AND NEW RC, INC.

(9) The Applicants shall forthwith serve a copy of this Order on the Chairman of the Board of Supervisors of any county and upon the Mayor or Manager of any county, city, or equivalent officials in counties, towns, and cities having alternate forms of government within the Applicants' service territories.

Service shall be made by first-class mail or delivery to the customary place of business or residence of the person served.

(10) On or before June 29, 2001, the Applicants shall provide the Commission with proof of notice required in Ordering Paragraphs (8) and (9).